
Table of Contents

State/Territory Name: Alaska

State Plan Amendment (SPA) #: 19-0004

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Seattle Regional Office
701 Fifth Avenue, Suite 1600, MS/RX-200
Seattle, WA 98104



Western Division - Regional Operations Group

August 15, 2019

Adam Crum, Commissioner
Department of Health and Social Services
3601 C Street, Suite 902
Anchorage, AK 99503-7167

RE: Alaska State Plan Amendment (SPA) Transmittal Number 19-0004

Dear Mr. Crum:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Alaska's State Plan Amendment (SPA) Transmittal Number 19-0004. This SPA updates definition of clinic services in accordance with CMS guidance, allows reimbursement of licensed physician supervision in mental health clinics, and for the integrated mental health and substance use intake assessments, and screening & brief intervention services.

This SPA is approved effective July 1, 2019.

If there are additional questions, please contact me or your staff may contact Maria Garza at maria.garza@cms.hhs.gov or at (206) 615-2542.

Sincerely,

A large black rectangular box redacts the signature of David L. Meacham.

David L. Meacham
Deputy Director

cc:
Donna Steward, DHSS

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
AK SPA 19-0004

2. STATE
AK

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, ~~2109~~ 2019

5. TYPE OF PLAN MATERIAL (*Check One*):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:
Section 1905(a) of the Social Security Act

7. FEDERAL BUDGET IMPACT:

a. FFY 2019 \$ 120,200

b. FFY 2020 \$ 480,800

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attached Sheet to Attachment 3.1-A, pages 3, 3.1, 3.2, and ~~3.3~~

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):

Attached Sheet to Attachment 3.1-A, page 3

Insert Attachment 4.19-B, page 4

Insert Attachment 4.19-B, page 4

10. SUBJECT OF AMENDMENT:

Revision of the clinic services benefit to comply with CMS guidance and state law.

11. GOVERNOR'S REVIEW (*Check One*):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:
does not wish to comment

BY OFFICIAL:

16. RETURN TO:

13. TYPED NAME: Donna Steward

14. TITLE: Deputy Commissioner -- Alaska Department of Health &
Social Services

15. DATE SUBMITTED: June 28, 2019

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
6/28/19

18. DATE APPROVED:
8/15/19

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
7/1/19

20. SIGNATURE OF REGIONAL OFFICIAL:
Digitally signed by David L. Meacham - S
DN: cn=David L. Meacham, o=U.S. Government, ou=HHS,

21. TYPED NAME:
David L. Meacham

Deputy Director

Date: 2019.08.16 10:52:37 -07'00'

23. REMARKS:

7/22/19-State authorized a P&I change to boxes 4, 8, and 9.

9. **CLINIC SERVICES:**

Community Behavioral Health Center –

A. **Definition of services** - The Medicaid agency or designee will reimburse a community behavioral health center for the provision of approved services for the treatment of diagnosable mental health disorders provided to Medicaid eligible beneficiaries.

B. Prior authorization and limitations

The following services do not need prior authorization if provided within the following service limits:

- i. Any combination of individual, group, and family therapy not to exceed 10 hours per state fiscal year.
- ii. Psychiatric assessment not to exceed four per recipient per state fiscal year.
- iii. Psychological testing not to exceed six hours per recipient per state fiscal year.
- iv. Pharmacologic management not to exceed one visit per week during the first four weeks of treatment and thereafter not to exceed one visit per month.
- v. If an individual is not already receiving services, one integrated mental health and substance use intake assessment or a combination of one mental health intake assessment and one substance use intake assessment.
- vi. If an individual is subject to a current behavioral health treatment plan, one integrated mental health and substance use intake assessment or a combination of one mental health intake assessment and one substance use intake assessment every six months.
- vii. Short-term crisis intervention services not to exceed 22 hours per state fiscal year.

If an organization anticipates exceeding the service limits, it is required to submit a prior authorization request to the State Medicaid Agency or its designee, documenting the medical necessity for the additional services.

Mental Health Physician Clinic–

A. **Definition of services** – The Medicaid agency or designee will reimburse a mental health physicians clinic for the provision of approved services for the treatment of diagnosable mental health disorders provided to Medicaid eligible beneficiaries.

B. Prior authorization and limitations

The following services do not need prior authorization if provided within the following service limits:

- i. Any combination of individual, group, and family therapy not to exceed 10 hours per state fiscal year.
- ii. Psychiatric assessment not to exceed four per recipient per state fiscal year.
- iii. Psychological testing not to exceed six hours per recipient per state fiscal year.
- iv. Pharmacologic management not to exceed one visit per week during the first four weeks of treatment and thereafter not to exceed one visit per month.

- v. If an individual is not already receiving services - one integrated mental health and substance use intake assessment or a combination of one mental health intake assessment and one substance use intake assessment.
- vi. If an individual is subject to a current behavioral health treatment plan – one integrated mental health and substance use intake assessment or one mental health intake assessment every six months.
- vii. Short-term crisis intervention services not to exceed 22 hours per state fiscal year.

If an organization anticipates exceeding the service limits, it is required to submit a prior authorization request to the State Medicaid Agency or its designee, documenting the medical necessity for the additional services.

Ambulatory Surgery Center

- A. **Definition of services:** Ambulatory surgical center (ASC) means any distinct entity operating exclusively for providing surgical services to patients not requiring hospitalization, and in which the expected duration of services would not exceed 24 hours following an admission. (42 CFR 416.2)
- B. **Providers and qualifications:** Ambulatory surgical centers must comply with all current federal (42 CFR 416.25 – 416.54) and state enrollment requirements, have a system to transfer patients requiring emergency admittance or overnight care to a licensed, Medicaid-enrolled facility following any surgical procedure performed, and have a department approved utilization review plan.
- C. **Prior authorization and limitations:** Services requiring prior authorization are noted on the current ASC fee schedule

End Stage Renal Disease Clinics

- A. **Definition of services:** End stage renal disease services include comprehensive outpatient dialysis and related services including labs and drugs, home dialysis training and support services, or both.
- B. **Providers and qualifications:** The end stage renal disease provider must comply with all current federal (42 CFR 494.1 – 494.20) and state enrollment requirements, and be enrolled as a Medicare provider.
- C. **Prior authorization and limitations:** The facility may bill a maximum of one peritoneal dialysis treatment per day, and a maximum of three hemodialysis treatments per week. Treatment limits may be exceeded upon a determination of medical necessity.

10. **DENTAL SERVICES:** See attached Sheet to Attachment 3.1-A, page 3a

11. **PHYSICAL THERAPY AND RELATED SERVICES:** See Attachment 3.1-A, page 24a-24c

12. PRESCRIBED DRUGS:

- a. Covered outpatient drugs are drugs:
 - i. dispensed only upon a prescription; and
 - ii. for which the United States Food and Drug Administration (FDA) requires a national drug code (NDC) number; and
 - iii. Alaska covers outpatient drugs in accordance with Section 1902(a)(54) and 1927 of the Social Security Act.

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- b. a compounded prescription if at least one ingredient is a covered outpatient drug as defined in (a) above and the recipient's drug therapy needs cannot be met by commercially available dosage strengths or forms of the therapy; the claim for a compounded prescription is submitted using the national drug code (NDC) number and quantity for each covered outpatient drug in the compound; not more than 25 covered outpatient drugs are reimbursed in any compound.

Methods and Standards for Establishing
Payment Rates: Other Types of Care

Mental Health Clinic Services

Mental health clinic services provided by a community mental health clinic, state operated mental health clinic, or mental health physician clinic (which is a group of psychiatrists or other mental health professionals working under the supervision of a physician) are reimbursed at the lesser of the amount billed the general public or the state maximum allowable. Community mental health clinics bill the Division of Behavioral Health under a separate reimbursement schedule for performing pre-admission screening and annual resident reviews (PASARR) of mentally ill persons seeking admission to or residing in long-term care facilities. The state assures that the requirements of 42 CFR 447.321 regarding upper limits of payment will be met. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of mental health clinic services. The agency's fee schedule, updated to reflect an effective date of 1/1/2019, is published at <http://dhss.alaska.gov/dbh/Pages/Resources/Medicaidrelated.aspx>.

Mental Health Rehabilitation Services

Mental health rehabilitation services are reimbursed at the lesser of the amount billed the general public or the state maximum allowable. Except as otherwise noted in the plan state developed fee schedule rates are the same for both governmental and private providers of mental health rehabilitation services. The agency's fee schedule, updated to reflect an effective date of 1/1/2019, is published at <http://dhss.alaska.gov/dbh/Pages/Resources/Medicaidrelated.aspx>.

Nurse-Midwife Services

Payment is made at the lesser of billed charges, 85% of the Resource Based Relative Value Scale methodology used for physicians, the provider's lowest charge, or the state maximum allowable for procedures that do not have an established RVU. Laboratory services are reimbursed at the lesser of the amount billed the general public or at the Medicare fee schedule. Drugs are covered at 95 percent of the AWP but without a dispensing fee. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of nurse-midwife services. The fee schedule was last updated, to be effective for services on or after 7/1/2017 and is available at <http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>